Case 2:21-cr-00948-JAT Document 5 Filed 11/12/21 Page 1 of 3

LODGED FILED GLENN B. McCORMICK 1 RECEIVED COPY Acting United States Attorney 2 District of Arizona KEVIN M. RAPP NOV 1 2 2021 3 Assistant U.S. Attorney Arizona State Bar No. 014249 DISTRICT COURT 4 Two Renaissance Square 40 N. Central Ave., Suite 1800 Phoenix, Arizona 85004-4408 Telephone: 602-514-7500 Email: Kevin.Rapp@usdoj.gov Attorneys for Plaintiff DEPUTY 5 6 7 8 IN THE UNITED STATES DISTRICT COURT 9 FOR THE DISTRICT OF ARIZONA 10 CR-21-00948-PHX-JAT United States of America, No. 11 Plaintiff, 12 INFORMATION VS. **VIO:** 18 U.S.C. § 1343 (Wire Fraud) 13 Joseph Carl Mulac, III, 14 Count 1 Defendant. 15 THE UNITED STATES ATTORNEY CHARGES: 16 At all times relevant to this information, in the District of Arizona and elsewhere: 17 **BACKGROUND** 18 Joseph Carl Mulac, III, ("MULAC") worked in the construction industry 19 1. since 1983, becoming an officer at Engle Homes, Standard Pacific, and Ryan Homes. Upon 20 leaving Engle Homes in 2008, MULAC started his own building company, Joseph Carl 21 22 Homes. In 2010, MULAC merged Joseph Carl Homes with AV Homes, Inc. and became 23 an officer in the company. During 2016, MULAC acquired 4,000 shares of vested stock, a value of 2. 24 \$40,160 on December 31, 2016. In August 2016, MULAC'S employment with AV Homes, 25 Inc. was terminated. As of April 7, 2017, MULAC owned 5,000 shares of AV Homes, Inc. 26

stock. AV Homes, Inc.'s Schedule 14A, dated April 19, 2017, states "In connection with

Mr. Mulac's termination effective as of August 17, 2016, his unvested shares were forfeited.

27

28

6 7

8 9

11 12

10

13

14 15

16

17 18

19

20 21

22 23

24

26

25

27 28 Mr. Mulac's unvested options were also forfeited, while his vested options remained available for exercise for 90 days following his termination date."

- 3. In 2017, after his 12 month non-compete agreement with AV Homes, Inc. expired, MULAC sought investors to reopen Joseph Carl Homes in 2018. MULAC misrepresented to investors that he was in possession of 648,907 shares of AV Homes, Inc. stock. MULAC showed at least two investors falsified stock statements that quoted the worth of the AV Homes, Inc. shares between \$11,582,990 and \$15,619,191. MULAC mislead investors by misrepresenting his ownership of AV Homes, inc. stock. Investor L.Y. believed that the ownership of the stock was sufficient collateral to secure his investment because the price of AV Homes, Inc. shares was public information.
- MULAC received approximately \$16.7 million in investments from 7 investors, including friends and family members. While the majority of the investors' funds were used to work on construction projects as promised, 18%, or \$3,019,948 of funds received were used for MULAC'S personal expenses.
- 5. From November 2017 to November 2018, investor L.Y. wire transferred \$5,768,000 in business loans to MULAC based on falsified control agreements referring to AV Homes, Inc. stock. MULAC did not pay off the loans and used 11% of the L.Y.'s loan for personal expenses. MULAC later presented falsified statements of AV Homes. Inc. stock to CSL Riverbend in an attempt to receive further investment from the company. On February 6, 20202, during a hearing in Maricopa County Superior Court, MULAC admitted to providing false information about financial accounts to CSL Riverbend.

6. Beginning in or around November 13, 2017, and continuing to in or around November 2, 2018, in the District of Arizona and elsewhere, MULAC, individually and doing business as Joseph Carl Homes, knowingly and willfully devised and intended to devise a scheme and artifice to defraud and to obtain money and property from L.Y. by means of materially false and fraudulent pretenses and representations, and by the

1

2 3 4

5 6

7 8 9

10 11

12

13 14

15 16

17

18

19

20

21 22

23

24 25

26

27 28 concealment and omission of material facts.

6. On the dates specified below, each being a separate count of the information, in the District of Arizona, and elsewhere, MULAC, for the purpose of executing the scheme described above, caused to be transmitted an interstate wire communication the amounts of detailed below from victim L.Y.'s Bank of America accounts located in Arizona, routing number XXXX09593, were processed through Bank of America, New York, New York, remitted to Wells Fargo located in California, routing number XXX42882, and ultimately received by MULAC'S Wells Fargo account located in Arizona, routing number XXXXX5278:

Count	Wire Date (On or About)	Sender	Recipient City/State (Receiving Bank)	Item Sent
1	7/24/2018	LKY Investments, LLC, Bank of America, account #XXXXXX854569(processed through BofA New York)	MULAC (Wells Fargo, account #XXXXX29186)	\$1,585,000 investment money per contract with MULAC

All in violation of 18 U.S.C. § 1343.

Dated this 23rd day of September, 2021.

GLENN B. McCORMICK Acting United States Attorney District of Arizona

KEVIN RAPP Date: 2021.09.23 15:09:50

Digitally signed by KEVIN

KEVIN M. RAPP Assistant U.S. Attorney